

THE FIVE FATAL HABITS



Why Organisations Fail

~ to ~

***Create Cultures of Innovation,
Agility, and Adaptiveness***

~ and why ~

***Traditional Consulting
is Part of the Problem***

“The scale of contracts with the consulting industry – via roles as advisors, legitimators of controversial decisions and outsourcers – weakens our businesses, infantilizes our governments and warps our economies. The cumulative use of big consultancies that operate with extractive business models stunts innovation and capacity development, undermines democratic accountability and obfuscates the consequences of political and corporate actions. In the end, we all pay the price through the lack of in-house investment and learning: public funds and other resources are wasted, decisions in government and business are made with impunity and little transparency, and our democratic societies are deprived of their dynamism. The Big Con imperils us all.”¹

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¹ **The Big Con:** *How the Consulting Industry Weakens our Businesses, Infantilizes our Governments and Warps our Economies*, by Mariana Mazzucato and Rosie Collington ISBN-13 978-0593492673 (Quote from p9 of 344. Kindle locator 496 of 7360.)

The Five Fatal Habits

In today's increasingly uncertain and unpredictable world, organisations must recognise and respond rapidly to new threats whilst, at the same time, continuously creating and capitalising on new opportunities. ²

To thrive in such a future, organisations must develop *cultures of innovation, agility, and adaptiveness* – achieving this transformation without major upheaval, so they can continue to deliver expected results.

Innovation, agility, and adaptiveness cannot be *bolted on* to an existing organisation – by creating an innovation lab, adding a digital platform, or hiring external agencies.

And while new technologies like AI will clearly have an impact, it's the **people** in an organisation who ultimately make the difference – by experimenting, exploring, and exploiting new ways of creating new value as part of their everyday work.

A thriving future-fit culture must excel at three things – *sense making, decision making, and action taking* – which must be tightly coupled, rapidly and repeatedly iterated, deeply embedded, and widely distributed throughout the organisation. ³

The biggest challenge established organisations face in becoming future fit is *escaping legacy cultural baggage* that not only impedes progress but acts like an *immune system* that actively perpetuates the status quo and stifles, smothers, and strangles the emergence of innovation, agility, and adaptiveness.

Most attempts to create future-fit cultures fail because they don't uninstall this legacy cultural baggage. So, how can you ensure that your efforts succeed?

The first and foremost thing to understand is that **cultural transformation only succeeds when it's created by the people in the organisation themselves.**

All the dozens of organisations I've worked with over the past 35 years throughout Europe, Asia, and the US organisations already had people who saw the urgent need for a future-fit culture and were energised by the possibility of helping make it happen. ⁴

Unfortunately, despite their energy and enthusiasm, most of these *internal change catalysts* had been demoralised by pushback from the organisational immune system.

When this happens, it's hard for them not to blame *their own senior executives*, whose support for culture change they often conclude extends only as far as lip service.

² Today's increasingly volatile, uncertain, complex, and ambiguous world is sometimes referred to by the acronym 'VUCA' coined in the 1990's by the U.S. Army War College. I describe why organisations must move beyond traditional ways of organising [here](#).

³ For more on this essential shift, see my Substack article *No Leaning No Future* [here](#).

⁴ These people are often one or more levels down from 'the top table' and therefore less invested in preserving the status quo.

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At the same time, those very senior executives may genuinely see themselves as fully committed to the change but feel similarly let down by the *internal change catalysts* – concluding that they lack the capabilities required to achieve cultural transformation.

This bidirectional blame dynamic is very dangerous because it leaves senior executives susceptible to the seductive overtures of mainstream management consultancies peddling their so-called best practices... ⁵

These *Big Con* firms became established by helping executives make better informed decisions in a relatively stable and predictable past. But that's an **entirely different challenge** to helping create the cultures of innovation, agility, and adaptiveness that organisations need to thrive in an increasingly uncertain and unpredictable future.

Most of the client organisations I've worked with over the years had already invested heavily in external consulting 'help', only to witness organisational innovation, agility, and adaptiveness get worse – often much worse.

That's because the *finders, minders, grinders* business models baked into mainstream consulting firms, optimised for delivering decision-making advice in a stable world that no longer exists, *actively prevent* them from helping people in client organisations lead, guide, and deliver the cultural transformation by themselves. ⁶

The bottom line is that hiring a Big Con firm to help you create a future-fit culture is the single biggest mistake you can make. It's like paying someone to go to the gym on your behalf and months later wondering why you're still no fitter, no stronger, and no more flexible than before...

The ease with which senior executives fall into this trap makes '*hired help that hinders*' the most systemically reinforcing of the ***Five Fatal Habits*** that kill organisational efforts to create future-fit cultures:

Habit #1 – “One Best Way” Thinking. This is a legacy that stems from the principles of “Scientific Management” laid down more than a century ago. ⁷ Overcoming this habit allows an organisation to leverage its own unique opportunities to achieve greater success with less effort and risk.

Habit #2 – “All or Nothing” Thinking. This is a legacy that stems from the *Strategic Planning* era of the 1960's to 1990's. Overcoming this habit enables more people to make pragmatic, low risk, high leverage, iterative contributions to organisational innovation, agility, and adaptiveness.

⁵ Ibid – see quote from the book *The Big Con* on page 2 above.

⁶ To make matters worse, the consulting firms themselves fail to grasp this fundamental difference – as we'll see below.

⁷ *The Principles of Scientific Management* was a [book](#) published in 1911 by Frederick Winslow Taylor.

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Habit #3 – Leadership that Creates Followers. This is a legacy that stems from traditional notions of what it means to be a leader. Overcoming this habit develops an organisation’s capacity for future-fit leadership.

Habit #4 – Wasting People’s Strengths. This is a legacy that stems from traditional HR practices developed for a bygone era. Overcoming this habit unleashes the collective human capacity for innovation, agility, and adaptiveness.

Habit #5 –Hired Help that Hinders. This is a legacy that stems from more than a century of mainstream management consulting practice. Overcoming this habit lets you break free from the most systemically debilitating reinforcement to the other four fatal habits.

These habits became established in a relatively predictable past where senior executives saw their role as **making decisions**. In an uncertain and unpredictable world, the role of senior executives is not *making decisions* but **creating conditions** in which *good decisions get made and implemented throughout the organisation.*⁸

The Five Fatal Habits have been around so long they’re tacitly accepted as ‘just the way things are’, hardly ever questioned, and eat away at organisations like a cancer. That’s why overcoming them is pivotal to creating innovative, agile, adaptive organisations.

The journey to that goal starts in earnest when you recognise how the habits developed, and why they’re intractable to the change approaches of the past. Progress on the journey crucially depends on internal change catalysts and sponsoring executives recognising, understanding, and empathising with each other’s challenges – and supporting each other in taking the effective, pragmatic, systemic, internal action that keeps the parasitic *Big Con* predators at bay.

The final section of this document – “*Seeing Your Way Forward*” – describes how executive sponsors and change catalysts can together create conditions for emergence of the unique culture of innovation, agility, and adaptiveness that can enable their organisation to thrive in today’s increasingly uncertain and unpredictable world.

Let’s begin by taking a closer look each of the *Five Fatal Habits* in turn.

⁸ For more on this see my Substack post “What’s wrong with decision rights” [here](#).

Habit #1: “One Best Way” Thinking

This is a legacy that stems from the principles of “Scientific Management” laid down more than a century ago. Overcoming this habit allows an organisation to leverage its own unique opportunities to achieve greater success with less effort and risk;

The concept of *scientific management* promoted the notion that there’s always one best way to do things. That’s why mainstream management consulting firms like to call their one-size-fits-all, paint-by-numbers approaches ‘best practice’.⁹

The problem with all these pre-packaged approaches is that every organisation has its own embedded and entirely unique *current reality* that massively influences the attitudes, behaviours, actions, and interactions of everyone who works there. Organisational transformation never starts with a blank slate. There’s always a lot of existing embedded cultural baggage blocking and biasing people’s perceptions of the journey, resulting in the unintended consequences and unforeseen side effects that derail most culture change efforts (failure rates of 70% - 90% are commonly cited).¹⁰

My former colleague Dr Peter Scott-Morgan developed a powerful approach to tackling an organisation’s unique current embedded reality, described in his bestselling book *The Unwritten Rules of the Game*. He and I worked together closely in the 1990s and 2000s, applying, refining, and adapting *unwritten rules* approaches with a wide range of organisations throughout Europe, Asia, and the US.¹¹

A central insight stemming from this work is that despite people’s attitudes, behaviours, actions, and interactions often seeming strange, or even bizarre, they’re always driven by a *hidden logic*. Within this, *Unwritten Rules* can be thought of as *the advice you’d give a close friend about how to survive and thrive in the organisation*, for example: “*Make your boss look good*”; “*Be highly visible*”; and the guaranteed innovation killer “*Avoid being associated with failure*”.

Understandably, most of our work in *hidden logic* is client confidential, but a high profile exception is the work Peter and I conducted in 2003 for then BBC Director General Sir Greg Dyke on whether the BBC’s culture supported or stifled its ‘official’ list of values. This work entered the public domain when cited in Dame Janet Smith’s report on the abuse perpetrated by former BBC presenter Jimmy Savile.¹²

An organisation’s culture is the embodied experience of ‘*the way we do things round here*’, formed and informed by a complex mix of *signs, signals, clues, and cues* that people pick up day-to-day via *seven channels of culture*.¹³

⁹ In *The Principles of Scientific Management*, Taylor claimed there was always “one best method” discoverable by “scientific study”. That may arguably have been true for manhandling lumps of pig iron – which was Taylor’s domain – but not for knowledge work.

¹⁰ The irony is that these failure rates are usually cited in studies by the very consulting firms involved in the failures...

¹¹ Find out more about Peter [here](#) and [here](#).

¹² In [The Jimmy Savile Investigation Report](#) of 25 February 2016, Dame Janet Smith *DBE* especially highlighted a key insight from our work - that some high-profile people at the BBC (such as Savile) were treated as “*more valuable than the values*”.

¹³ Find out more about the *Seven Channels of Culture* [here](#).

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The channels include what influential people say – and how this compares with what they actually *do*; how much people feel involved in *sense making* and *decision making*, as opposed to just *action taking*; how they're treated – both in obvious and subtle ways – by influential others; how work is organised, structured, and arranged, and various form of carrots and sticks they experience as bribes and coercion.

The messages in the different channels are often misaligned and frequently conflicting – with the different *messages* that influence people in various parts of the organisation offering valuable insights into the current culture. Without understanding this hidden logic, culture change interventions don't just fail, they invariably backfire.

It can be especially eye-opening for influential people to see how messages they intend to send often get interpreted very differently. This is further complicated by the fact that different people tend to be more or less receptive to messages in different channels. The net effect is that people receive confusing, contradictory, and conflicting messages.

So, the CEO bangs on about wanting to see *teamwork*, but HR policies continue to reward individuals – creating the crazy unwritten rule “*Stand out as the best individual team player*” (!), leading to the kind of grandstanding that destroys cooperation.

Similarly, influential people may espouse *collaborative leadership* but continue to make unilateral decisions – creating the unwritten rule: ‘*Don't invest too much effort, it may well all change tomorrow*’, leading to disengagement, inertia, and ultimately apathy.

The so-called ‘best practice’ cookie-cutter approaches of mainstream management consulting firms inevitably fail to pick up the subtle signals that influence people's mindsets in uniquely different ways in every different organisation.

Leading consulting firms openly admit that their approaches fail in 70%-90% of cases, but they never see this as due to their own inadequate methods – preferring to blame the client's *toxic culture*, or *change aversion*, or *inadequate senior executive support*.¹⁴

There's a deep irony in an organisation expecting to become more innovative by hiring outsiders to do its *sense making*, or more agile when *decision making* is imposed from above, or more adaptive when the sense making, decision making, action taking loop isn't joined up – let alone alive and active throughout the organisation.¹⁵

Ultimately, *one best way thinking* kills the iterative *sense making*, *decision making*, and *action taking* at the heart of a future-fit culture, and which is essential to creating continuous new value in an increasingly uncertain and unpredictable world.

¹⁴ Find out more about the failings of mainstream Big Con firms [here](#).

¹⁵ Explore why decisions often don't make sense to those expected to enact them [here](#).

Habit #2: “All or Nothing” Thinking

This is a legacy that stems from the Strategic Planning era of the 1960's to 1990's. Overcoming this habit enables more people to make pragmatic, low risk, high leverage, iterative contributions to organisational innovation, agility, and adaptiveness.

Building an innovative, agile, adaptive organisation can feel overwhelming due to the often-unexamined assumption from the *strategic planning* era that everything that's wrong with an organisation must all be fixed together at the same time.¹⁶

In the golden days of strategic planning, executives devised a strategy and then oversaw its rollout through the organisation in a cascade of closely controlled plans. Attempts to change culture this way represents a task of such enormity that few people take it on willingly, even if they recognise the increasingly urgent need.

All or nothing thinking makes culture change like a *DNA transplant* – with associated expectations of excruciating pain and significant risk of failure due to *tissue rejection*. Anyone adopting this approach unnecessarily creates unwarranted risks for the organisation, not to mention insurmountable problems for themselves...

All or nothing thinking about organisational change is enshrined in Harvard Professor John Kotter's *8-stage model*, starting with: #1: “Establish a sense of urgency”, #2: “Create a guiding coalition” and #3: “Develop a vision and strategy”.¹⁷

Interestingly, IBM's incoming CEO Lou Gerstner – architect of one of the most successful large-scale corporate turnarounds ever – saw things differently: “*There's been a lot of speculation as to when I'm going to deliver a vision of IBM, and what I'd like to say to all of you is that the last thing IBM needs right now is a vision*”.¹⁸

Of course, Gerstner *did foresee a way* to turn around an almost bankrupt IBM that worked spectacularly well – it would become profitable by focusing on customers.¹⁹

Gerstner's comment was prompted by his first 30 days at IBM, where he found drawers full of vision statements, often correctly predicting major trends, all of which the organisation had failed to act on. He had no intention of adding to the pile.

It's understandably tempting for CEOs to make grand visionary statements about the big changes they plan to bring about. But big public announcements, often stage managed with all the razzamatazz of a Broadway show, stir up a hornet's nest of perceived threats to people's cherished perceptions, practices, and positions.

¹⁶ Many organisations still go through the annual charade of *strategic planning*. But as Henry Mintzberg's seminal 1994 book “*The Rise and Fall of Strategic Planning*” pointed out: “*No amount of elaboration will ever enable formal processes to forecast discontinuities. Ultimately, the term 'strategic planning' has proved to be an oxymoron*” (p 321).

¹⁷ *Leading Change* (John P Kotter, 1996, revised 2012).

¹⁸ IBM press conference 27 July 1993.

¹⁹ When Gerstner joined IBM in 1993 its market cap was \$29Bn. When he left in 2002 it had risen by 580% to \$168Bn.

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When someone first gets wind of the grand strategy they worry “*How will this affect me?*” and “*Will I survive?*” These valid concerns can’t be satisfactorily addressed, and people are therefore understandably sceptical about the proposed scheme. So while the organisation wants them to turn their attentions and energies to *creating its future*, instead they invest them in *worrying about their future*.

That’s why attempts to “*Establish a sense of urgency*” more often establish a sense of dread, dismay, or despondency – leading to passive or active resistance.

But the main problem with “*Developing a vision*” in today’s increasingly uncertain and unpredictable world is that the vision ends up either specifically and spectacularly wrong, or alternatively it’s an anaemic and vacuous variant of “*Our vision is to be preferred supplier to our key customers in our main markets*”.

Such vague statements do nothing to clarify: ‘*supplier of what, when and how?*’; ‘*which customers are key and why?*’; and ‘*which are/will be our main markets?*’. Inevitably, different people come up with varying, misaligned interpretations to fill the void.²⁰

Also, *all or nothing* change projects are so complex and risky they need huge teams of people to do detailed planning, execution, monitoring, and reporting. But real-world organisations don’t have spare human capacity for this because all their people are tied up in the day-to-day work of delivering business as usual. So, large numbers of bodies must be bussed in from outside to plug the gap – bodies that *Big Con* firms are more than happy to provide...²¹

It’s easy to see how *all or nothing* thinking exacerbates the problems created by Habit #1 – further inhibiting the iterative *sense making*, *decision making*, and *decision making* essential to organisational innovation, agility, and adaptiveness.

When people get to experiment iteratively over time they develop future-fit cultural muscles. But attempts to create culture change based on *all or nothing* thinking create repeated cycles of overwhelm, leading to widespread apathy and/or burnout.

The seeming Catch-22 is that until senior people see people in the body of the organisation as capable of participating effectively in *sense making* and *decision making*, they will continue to impose or import change. But whilst they persist in imposing or importing change, people in the organisation will never develop the new muscles they need to create a culture of innovation, agility, and adaptiveness.

Escaping this *doom loop* requires precise and deep focus of attention on the key leverage points for systemic, organisation-wide culture change.²²

²⁰ This is the central point of Mintzberg’s *The Rise and Fall of Strategic Planning* (ibid).

²¹ We’ll come back to this in more detail when we look at Habit #5: ‘*Hired Help that Hinders*’.

²² This is addressed in the final section of this document ‘*Seeing Your Way Forward*’.

Habit #3: Leadership that Creates Followers

This is a legacy that stems from traditional notions of what it means to be a leader. Overcoming this habit develops an organisation's future-fit leadership capacity.

Attitudes towards organisational leadership are heavily influenced by Kotter's Eight Stage Change Model framing: "*Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen*".²³

In this regressive top-down view, an elite few *define a future vision* and *align* and *inspire* others to *make it happen*. The defining/aligning/inspiring is done *by* this elite – the so-called "leaders" – who do it *to* everyone else – the so-called "followers".

Shortly after Kotter's book appeared, my Society for Organisational Learning colleague Dr Peter Senge proposed a perspective much more suited to today's world: "*Leadership is the capacity of a human community to shape its future*".²⁴

This future-fit perspective doesn't segregate people into those who *do* leadership and those who have it *done to* them. Instead of *followers*, this creates *more leaders* – or to be more precise, *it develops the organisation's future-fit leadership capacity*.

Kotter did eventually acknowledge this failing in his book's 2012 update, noting in the preface: "*more agility and change-friendly organisations*" and "*more leadership from more people, and not just top management*" are increasingly vital.²⁵

If you want organisational innovation, agility, and adaptiveness, traditional *leader-follower* attitudes must give way to *leader-leader* mindsets.

As a frustrated senior executive client once asked me: "*Why would anyone think that they're smarter than everyone?*". But senior executives have traditionally been taught to think that way – except in high-tech firms whose lifeblood is innovation, agility, and adaptiveness, and leadership has always been about diverse people co-creating new value together.²⁶

As the world becomes increasingly uncertain and unpredictable, organisations that fail to escape the leader-follower mindset will inevitably struggle to achieve the levels of innovation, agility, and adaptiveness required to thrive. Recognising, accepting, and acting on this understanding can prove challenging for those who've 'climbed to the top' in hierarchical command and control organisations and see themselves as uniquely

²³ We encountered Kotter's *8-stage change model* in Habit #2. Kotter defines 'Leadership' in these words in his book 'Leading Change' (1996, revised 2012 – quote from p28 of 2012 version).

²⁴ Peter was President of the Society for Organisational Learning when I served on its Global Leadership Team from 2009-2015. This definition appears in the third book in the 'The Fifth Discipline' series; 'The Dance of Change' (Senge et al 1999 p16).

²⁵ Ibid (Kotter 2012, preface page 'ix').

²⁶ That's why Scott Adams' 'Dilbert' cartoon strips work so well. He puts the uber-traditional 'pointy-haired boss' in charge of a group of people like *Alice*, *Asok* and *Dilbert* who are far more competent at technology-based innovation.

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positioned to shape the organisation's future on their own. That's why it's often people one or two levels down from the top who see the future need most clearly.

The negative effects of the traditional, regressive, *leader-follower* mindset include:

- Discouraging wider engagement that would improve *sense making*.
- Driving disagreements and dissenting voices underground.
- Increasing *decision making* bottlenecks and senior executive stress.
- Perpetuating the 'all-seeing, all-knowing leader' myth.
- Blocking the *leader-leader* relationships that build future-fit leadership capacity.
- Stifling, smothering, and strangling innovation, agility, and adaptiveness.

The low risk, high leverage way to develop the organisation's capacity to shape its future is to get the key influencers – whose mindsets, attitudes, and behaviours systemically affect everyone and everything else – operating from a leader-leader mindset. ²⁷

In other words, *leadership development* is fundamentally about the mindsets, attitudes, and behaviours of key influencers, and consequently *it cannot be outsourced to HR, business schools, or other training providers*.

A big 'aha' moment for senior executives aspiring to create future-fit cultures is when they see how critically this depends not on the decisions *they* make but on how well *they* embody the shift to leader-leader mindsets. Many worry – even if they only admit it in private – that legacy leadership attitudes of top-down command and control may be too deeply embedded in the organisation to successfully pull off the required shift.

But consider this – few contexts have a more deeply ingrained *leader-follower* mindset legacy than the US Navy. Yet, under Captain David Marquet, the nuclear-powered submarine *USS Santa Fe* went from being worst performing to best performing ship in the fleet. The key to this unprecedented turnaround is in the subtitle of Marquet's 2015 book: *'Turn the Ship Around: A true story of turning followers into leaders'*. ²⁸

Here's Marquet describing how they made the shift from *leader-follower* to *leader-leader*: ***"We had no need of leadership development programs; the way we ran the ship was the leadership development program"***. ²⁹

Organisations and individuals both lose when *leadership creates followers*. The organisation loses by failing to develop the future-fit leadership capacity required to thrive in an increasingly uncertain and unpredictable world. The individuals lose the intrinsic motivation and engagement of active participation in the active *sense making*, *decision making* and *action taking* that will shape the future of the organisation.

²⁷ For more on this topic, see my Substack article [Focus on key influencers](#).

²⁸ Marquet describes how they were obliged to transform leadership on the *Santa Fe* because his lack of technical knowledge of that particular class of submarine meant he couldn't succeed by applying the traditional top-down command and control mindset.

²⁹ Ibid (p84).

Habit #4: Wasting People's Strengths

This is a legacy that stems from traditional HR practices developed for a bygone era. Overcoming this habit unleashes the collective human capacity for innovation, agility, and adaptiveness.

Organisations have traditionally focused on people's weaknesses more than their strengths. 'Performance management' systems evaluate people against standardised job descriptions and when someone fails to score points against prescribed criteria, they're 'encouraged to fill their competency gaps'.

Why? Why not get the best out of people by building on their strengths instead? Here's Peter Drucker's consistent perspective: "To make people's strengths productive is the unique purpose of organisation. It cannot, of course, overcome the weaknesses with which each of us is abundantly endowed. But it can make them irrelevant".³⁰

Drucker spent decades banging the drum of *focus on strengths*, but organisations still treat people like galley slaves, rowing to a top-down command and control beat.

This attitude is so deeply ingrained in organisational thinking that it's regarded as "normal" to treat human beings as interchangeable, expendable parts to be force-fitted into rigid job roles designed by others. When people are seen as "human resources" and moved from place to place like so many cogs in a machine, is it any wonder that employee engagement scores are so abysmal?³¹

Part of the problem is that organisational responsibility for employee engagement rarely gets owned by the *key influencers* who actually drive it, but all too often gets delegated to Human Resources functionaries, *who can only measure it*. And, as the old farming adage says, "weighing a pig doesn't make it grow any faster".

It's absolutely vital that people in an organisation grow its innovation and agility strengths themselves because, as with physical muscles, these only develop *in the people who do the heavy lifting*. This means that developing the innovation, agility, and adaptiveness muscles of the people in the organisation is absolutely essential.

So, how do you go about building these muscles? The US National Training Laboratory (NTL) discovered important answers to this question back in the early 1960's.³²

The NTL *Learning Pyramid* describes various different *learning modes* for the levels of *learning retention* they achieve. It's important to understand that *learning* here doesn't mean simply remembering facts. *Learning retention* is all about *the ability to apply learning in practice* – that's why 'muscle building' is such an apt metaphor.

³⁰ Drucker is often cited as *the founder of modern management*. The quote is from his book *The Effective Executive* (2007 p67).

³¹ Only 23% of employees globally described themselves as engaged in their work in [Gallup polling for 2023](#).

³² As George Box famously observed: "All models are wrong. Some models are useful". The NTL pyramid is such a model – and a regular target for "debunking" by people with their favoured – and inevitably similarly wrong – models.

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NTL's original research estimated the following levels of learning retention: ³³

- 5% from *classroom training and presentations*.
- 10% from *reading written materials*.
- 20% from consuming *audio-visual media*.
- 30% from watching *demonstrations*.
- 50% from participating in *group discussions*.
- 75% from applying *learning on the job*.
- 90% from *teaching others*.

The two key take-aways from this are:

1. The most effective ways to build an organisation's innovation muscles are through people *learning on the job* and *teaching others*;
2. Classroom 'sheep dip' training is a feeble last, *despite it still being the favoured learning delivery mode used by mainstream consulting and training firms*; ³⁴

Courses, demos, and group interaction (offline & online) can of course help introduce new ideas and concepts – but unless people *internalise and apply them in their everyday actions and interactions, they won't become organisational strengths*.

Similarly, the "*happy sheets*" that people are required to fill in after a classroom session may get good scores, but *infotainment* doesn't build cultural muscles. ³⁵

In fact, when classroom teaching encourages people to swim against the cultural tide – as it often does – it leads to frustration, alienation, and apathy – all highly inimical to the emergence of future-fit cultures of innovation, agility, and adaptiveness.

Given that *learning on the job* and *teaching others* are the most effective ways of building an organisation's cultural muscles, these must become deeply ingrained as a normal part of everyday work, and especially important for *key influencers*. ³⁶

The bottom line is that the more an organisation forces people into roles designed and defined by others, the less it enables them to play to their strengths in ways that make their weaknesses irrelevant. The organisation will therefore fail to unlock the iterative *sense making, decision making, and action taking* that unlocks its true capacity to shape its future.

³³ In August 2002 I wrote to NTL, who confirmed the above research results, but said that unfortunately they can no longer find any records of the research approach or methods by which they came to these results. So much for learning retention...

³⁴ From 2010 to 2015 I was an external faculty member at the firm ranked #1 in the FT/BusinessWeek annual custom executive education rankings. All the firms in the rankings still deliver 'learning' primarily through classroom teaching but to be fair, that's because that's what most of their customers in organisational training, learning & development functions still ask for...

³⁵ If trainers actually challenge participants to reflect on the need to change their own behaviour, the trainers tend to get penalised by low scores on the 'happy sheets' and don't get invited back. As a result, *infotainment* – information delivered in an entertaining way – is the name of the game

³⁶ We saw this also in building the organisation's *agile leadership* muscles in the previous section on *Habit #3*

Habit #5: Hired Help that Hinders

This is a legacy that stems from more than a century of mainstream management consulting practice. Overcoming this habit lets you break free from the most systemically debilitating reinforcement to the other four fatal habits.

We've already seen that you can't build agility by outsourcing leadership development to business schools or executive education firms. But are mainstream management consulting firms better equipped to help you create a future-fit organisation?

Most large organisations have hired mainstream management consultants at one time or another. The industry was established more than a century ago and now boasts global annual revenues exceeding a trillion dollars – *yes, that's \$1,000,000,000,000.*³⁷

Awareness has grown in recent years of the damage done by management consulting firms to organisations, governments, and society – summarised in Mariana Mazzucato and Rosie Collington's book *"The Big Con: How the Consulting Industry Weakens our Businesses, Infantilizes our Governments and Warps our Economies."*³⁸

Go back four or five decades, and big consulting firms still provided a useful service, deploying significant strengths they'd developed in researching opportunities, threats, new technologies and markets to help senior executives make better informed decisions.

But as so often, when contexts change, past strengths become future weaknesses. And when it comes to helping create future-fit cultures, there's a ginormous, show-stopping weakness right at the heart of the big consulting *operating model*.

In *"Managing the Professional Service Firm"* David Maister – the world's most successful such advisor to traditional professional service firms – describes how their ultimately depends on *leverage* – which in management consulting is achieved by having relatively few senior partners selling very large projects that keep large numbers of junior consultants on fees for long periods of time:³⁹

*"Seniors (partners or VPs) are responsible for marketing and client relations; managers for the day-to-day supervision and coordination of projects; and juniors for the many technical tasks necessary to complete the study. The three levels are traditionally referred to as "the finders," "the minders" and "the grinders".*⁴⁰

The *finders, minders, grinders* operating model was embedded over many decades of traditional consulting work – i.e. helping executives make better informed decisions.

³⁷ Market size of the management consulting industry in 2023 according to Statista [here](#).

³⁸ Mazzucato has a useful website resource on *The Big Con* [here](#).

³⁹ Maister retired in 2009, after a hugely successful 30-year career as the world's number one advisor to large scale professional service firms, including the leading management consulting firms.

⁴⁰ *Managing the Professional Service Firm* (David Maister 1993 page 7).

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But this model backfires spectacularly when what clients need is not advice, but to build strong innovation, agility, and adaptiveness muscles inside their organisation.

Here's how one former consulting firm partner described the problem:

“When you're buying, it's Arnold Schwarzenegger or Dwayne Johnson talking to you. But once you sign the deal you get three 19-year-old kids who've never been in a gym in their lives making a plan for you based on what they read in a book and one of their friends did once five years ago. They promise to get you fit by giving you a diagram of what your body should look like and a bunch of metrics to track your progress”.

This highlights the core limitation inherent to mainstream consulting firms: while bright young consultants can do useful work in analytical study projects, they lack the real-world grey-hair experience and insight to help an organisation create its own unique future-fit culture of innovation, agility, and adaptiveness.⁴¹

But it gets worse: traditional consulting firms don't just fail to help clients build such cultures; they actively inhibit them by reinforcing the other four fatal habits:

The huge risk inherent in deploying hordes of inexperienced grinders forces consulting firms to rely on pre-packaged, one-size-fits-all 'methodologies', reinforcing Habit #1 – “One Best Way” Thinking;

Their operating model compels them to sell 'soup to nuts' mega-projects that keep lots of grinders on fees for as long as possible, reinforcing Habit #2 – “All or Nothing” Thinking;

Since consulting firms can only justify their massive fees by helping senior executives make big decisions, they've a massive, vested interest in their clients remaining firmly locked into the old-school traditional leader-follower mindset, reinforcing Habit #3 – Leadership that Creates Followers;

Doing the heavy lifting builds strengths in their consultants, not in the people in the client organisation, reinforcing Habit #4 – Wasting People's Strengths;

Some senior executives do recognise that their vital need for organisational innovation, agility, and adaptiveness is undermined by hiring mainstream consulting firms. But they often encounter passive or active resistance from their peers who depend on hiring these firms to preserve their jealously guarded 'leader-follower' status.

⁴¹ Hence former FT management writer Lucy Kellaway's nickname for consulting firm grinders – “Brains on Sticks”.

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These relationships between senior executives and consulting partners ***all too often end up codependent*** – to hit their sales targets, the finders need the executives; and the executives need the consultants for career protection when change projects fail: “*Don’t blame me, I hired a well-known Big Con firm*”.⁴²

This codependency must be undone from the client organisation side – not, as might be assumed because the consultants *deliberately* and wilfully seek to hold their clients back, but because they’re blinded to what they’re doing by the overriding need for a stream of repeat client business for their own careers to survive and thrive.⁴³

As Upton Sinclair famously observed: “*It’s difficult to get someone to understand something when their salary depends on them not understanding it*” and senior partners on multimillion dollar packages have so much skin in the game this inability to see that damage they cause plays out on a massive global scale.

Hired Help That Hinders is the most systemically reinforced, and reinforcing, of the fatal habits at the heart of the persistent failure of organisations to create future-fit cultures over the past 40 years.⁴⁴

Only when organisations stop bringing in outsiders to do the heavy lifting will they be able to develop their own internal innovation, agility, and adaptiveness muscles.

But it doesn’t have to be this way. Any organisation can build its internal innovation, agility, and adaptiveness muscles when sponsoring senior executives and internal change catalysts appreciate each other’s respective challenges and learn to take effective, pragmatic, systemic action together.

How can senior executives and change catalysts do this?

What action should they take to eliminate their organisation’s cultural blockages, overcome the *Five Fatal Habits*, and create the conditions for emergence of a future-fit a culture of innovation, agility, and adaptiveness?

That’s what we’ll explore in the next and final section of this document.

⁴² If you’re familiar with Systems Dynamics (SD), you may see similarities between ‘*Hired Help That Hinders*’ and the ‘*Shifting the Burden to the Intervener – with Addiction Loop*’ SD archetype.

⁴³ This conditioned blindness is caused by cognitive self-preservation biases closely related to *cognitive dissonance* – the psychological effect described by Leon Festinger in 1957 that prevents people from seeing things that challenge their sense of self-worth and the identities they adopt and assign.

⁴⁴ It’s possible to argue that it goes back 60 years to when Bruce Henderson changed the rules of the consulting game when he left Arthur D. Little and set up the Boston Consulting Group (BCG). More on this [here](#).

Seeing Your Way Forward

We've seen how the *Five Fatal Habits* that stifle, smother and strangle innovation, agility, and adaptiveness stem from legacy ways of being, seeing, doing, and thinking.

This legacy four dominant traditional metaphors, revealed in much of the language used in the organisational discourse:

1. Organisations as *armies* – revealed in language such as *strategies, reporting lines, command, recruits, headquarters, front-line, tactics, procedures* etc;
2. Organisations as *politics* – with the language of *power, interests, influence, conflicts, political correctness* etc;
3. Organisations as *machines* – a dominant metaphor for most of the past century revealed in terms such as *organisational design, organisational structure, measurement, governance, control, processes, re-engineering*, in which people are treated like replaceable cogs etc;
4. Organisations as *teams* – with *playbooks, coaches, managers, game plans, team positions, teamwork, team spirit* etc.

Metaphors and culture

We readily deploy and merrily mix the above metaphors with scant consideration for the profound ways they shape our *being, seeing, doing, and thinking* – colouring, confusing, and constraining the options we see for moving forward.

So, when something crops up, we may think: “*How do we mobilise? What’s our plan of campaign? How do we gain higher ground? What tactics should we deploy? We may need to bring in the big guns.*” And hey presto – we’re strategists commanding armies...

Or we think: “*Hang on – what are they up to? Who’s dictating the agenda? Who’s trying to expand their influence?*” And there we have the language of politics.

We think: “*How do we reorganise? How should we restructure? How do we measure performance? How to fix our business processes? What will boost efficiency? How can we improve governance?*” – in the language of machines.

Or we think: “*We need an ace team on this. Who do we need in which positions? How do we keep score? How will we level the playing field? How might the opposition try to get past our defences?* (A mix of teams and armies in that last one!).

These metaphors are deeply ingrained, and we move flexibly and fluidly between them. There’s nothing wrong with this by the way. Scientists, technologists, and engineers (my

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original training) switch from theory – literally ‘*way of seeing things*’ – to theory all the time, to suit different specific circumstances. ⁴⁵

But the problem with seeing organisations based on the four legacy metaphors is that none of these ways of seeing lets you see how to transform its culture. And, as Albert Einstein famously pointed out: **“It’s the theory that dictates what you can observe”**. ⁴⁶

The founding father of Western social psychology, Kurt Lewin – himself a contemporary of Einstein – also saw that **“there is nothing so practical as a good theory”**. ⁴⁷

A good theory enables you to see where to take pragmatic, high leverage action at root cause level, so you don’t counterproductively expend vast amounts of energy hacking at the leaves and branches of the status quo, only to watch them grow back even stronger.

As we saw in Habit #3 above, in future-fit cultures of innovation, agility, and adaptiveness *leadership is the capacity of a community to shape its future*. Seeing an organisation as a *human community* is a very good theory for practical culture change.

How does a particular culture *actually* become established and embedded in an organisational community? The best source of insight here is *your own personal experience* of moving into a new organisational community where people did things differently. Remember how disorientating it felt at first? But after a month or two you’d worked out the lie of the land, found your feet, learned the ropes, and settled in. The culture, ‘*the way we do things round here*’, had now become part of your *mindset*.

Cultures become embedded in mindsets through the clues and cues people pick up from the attitudes and behaviours of influential others, stemming from *their* mindsets – not from *mission, vision, or values* statements. ⁴⁸

Most culture change efforts fail to appreciate how cultures *actually* embed in people’s mindsets – so they’re not just ineffective, they frequently backfire.

Every organisation has its own unique complex pattern of *which people’s mindsets affect which other people’s mindsets in which ways*. What makes the culture of a given organisational community unique is *the specific system of mindsets that forms and informs people’s awareness of ‘the way we do things round here’*.

Despite their uniqueness, every culture of innovation, agility, and adaptiveness has a very specific type of mindset at its core – one that says: **“It’s inevitable that you see things differently from me. Help me to understand more about how you see things, so I**

⁴⁵ Theory (n): conception, mental scheme, way of seeing. From Greek *theōrein* "to consider, speculate, look at"; *theōros* "spectator, observer"; *thea* "a view".

⁴⁶ Einstein was speaking at Werner Heisenberg’s 1926 Quantum Mechanics lecture in Berlin.

⁴⁷ Problems of Research in Social Psychology, Harper & Row, New York 1951. S. 169

⁴⁸ There’s more detail on why these change approaches fail to build innovative agile organisations in this [video](#).

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can enrich my own understanding". People with this mindset approach each other with genuine curiosity and respect for each other's different perspectives on things.

The prevailing mindset in low innovation, agility, and adaptiveness organisations sees differences of perspective antagonistically: *"You see things differently from me. We can't both be right – and I know I am – so you must be wrong"*.

If I adopt this cognitive stance, I'll focus on showing you how you're wrong. And if I can't convince you, I'll bypass you instead. And if I can't bypass you, I'll try and get you moved, sidelined, or even fired because you're getting in my way.

The key insight that most effectively and consistently overcomes the dysfunctional "I'm right, you're wrong" mindset and unlocks a future-fit culture is "none of us ever sees the whole picture – which is why none of us is as smart as all of us".

2D perspectives on 3D reality

No one, no matter how brilliant, ever sees the whole picture in any real-world situation. Each of us only ever has a biased, partial, one-sided **2D take** on a **3D reality** that none of us can ever hope to see in its entirety. ⁴⁹

When Einstein came up with relativity theory, he didn't see the whole of reality. He just came at physics from a different angle, with a different way of seeing, a different theory, that allowed him to see what no-one else had seen before.

Curiosity and respect for different *2D perspectives on an inherently unknowable 3D reality* is at the heart of a future-fit culture because, despite the Hollywood image of the lone genius toiling in the lab, breakthrough innovations invariably come from multiple people combining their different (2D) perspectives.

That's how innovation works. And that why it's vital to enable diverse people to explore, share and combine their individual, biased, partial, and incomplete 2D perspectives. ***Innovative, agile, adaptive organisations are built on a foundation of 2D3D mindsets – the deeper and more widespread the better.***

Fortunately, a 2D3D mindset develops naturally and automatically when the penny *really* drops that none of us ever sees the whole picture. So, when someone sees something you don't, it's obvious to you they're seeing things you're not yet seeing.

Then your attitude changes. You stop seeing them as mistaken, misinformed, or misguided but as colleagues who can not only help you enrich your own understanding but that together you can create value the world hasn't seen before. That's innovation!

⁴⁹ In December 1999 The Financial Times published a feature article on the 2D3D thinking tool I'd developed in my work helping clients build innovative agile organisations over the previous 10 years. Find out more in this [video](#).

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So, how do you cultivate 2D3D mindsets throughout an organisational community? Isn't changing people's mindsets a very difficult if not impossible task? It certainly can be – if you overlook your own lived experience of how cultures *actually* propagate and attempt to change culture without recognising how shifts in mindsets, and therefore culture, *actually* take place in human communities.

When you learn to see *culture* as synonymous with *prevailing system of mindsets* then you recognise *culture change* as *systems change*. That's the key to finding where and how to take pragmatic, low risk, highly effective action – by finding and focusing on the *systemic leverage points* where relatively little effort yields disproportionate results.

Focus on key influencer mindsets

In any culture change, maximum systemic leverage occurs when the *key influencers* whose attitudes and behaviours systemically effect everyone and everything else adopt a shift of mindset. That's because it's the mindsets of the *key influencers*, manifesting in their attitudes and behaviours, and revealed through their actions and interactions, that systemically affect the mindsets, attitudes, and behaviours of everyone else. ⁵⁰

Focusing on shifting key influencer mindsets is the low risk, high leverage way to build an innovative agile organisation. ⁵¹

The reason most efforts to improve innovation, agility, and adaptiveness fail is that *key influencers* remain trapped in narrow, biased, and one-sided '2D' perspectives. Then it doesn't matter what other steps you take, systemic forces originating in the dark, murky depths of the cultural immune system will ensure that the organisation's past problems come back to haunt you – and they'll almost certainly bring new friends.

It's vitally important to recognise that ***the key influencers are not always in the most senior positions.*** Yes, they include the *bottleneck boss* who thinks they have to make all the decisions, but the extended cast of characters includes *experts* who expect everyone to defer to their opinions; *resource controllers* intoxicated by the power to say "no"; *inside operators* who seem to know what's *really* going on; *firefighting arsonists* who stoke the flames so they can rush around visibly dousing them, to name a few.

Wherever they may be in an organisation, key influencers trapped in 2D perspectives hold everyone and everything back by undermining valuable perspectives that could contribute to securing a brighter organisational future. They anchor organisations to the past and, in an increasingly VUCA world, risk them their futures. Just ask those who worked at formerly world-leading firms like Nokia, Blockbuster, or Toys 'R' Us.

⁵⁰ For more on this, see this [video](#).

⁵¹ For some real world case examples [see this video](#).

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Ultimately, every organisation is unique because it has unique people with unique combinations of strengths and weaknesses. And just as innovation is about finding unique ways to create new value – at least until these get copied by others – creating an innovative, agile, adaptive organisation that can consistently outpace the copycats must, by definition, be a uniquely different journey for each organisation. You simply cannot copy and paste what someone else does – even if it is supposedly ‘best practice’.

Instead, by finding and focusing on shifting *key influencer* mindsets you’ll be able to see your own way forward that’s attuned to your unique circumstances, conditions, and constraints of your organisational community – a way forward that:

- needs far fewer people enrolled and engaged to get started;
- yields quick wins that encourage greater engagement and enrolment;
- causes minimal disruption to the current business as usual;
- develops organisational muscles at a manageable pace;
- achieves far greater success for a lot less money, time, and energy.

In working with these insights, ideas, and approaches in dozens of organisations over the past 35 years I’ve found all organisations have people who already have a 2D3D mindset to some degree. These people can often play invaluable roles as *internal catalysts of culture change* throughout an organisational community.

It’s vitally important that sponsoring senior executives systemically support change catalysts in getting key influencers to adopt 2D3D mindsets and help these propagate throughout the organisational community.

For more resources visit my website [here](#). To contact me, the best way is to connect on LinkedIn via my profile [here](#). The Archive of my “*Create a Future-Fit Culture*” Substack is accessible [here](#), and you can sign up via the *Subscribe* link in any of the articles.

All the best,

A handwritten signature in black ink that reads "Geoff". The signature is stylized with a large, sweeping 'G' and a long, horizontal stroke at the bottom.

About the author



Since the mid-1980s, I've worked with people in organisations throughout Europe, Asia, and America helping them create future-fit cultures of innovation, agility, and adaptiveness.

I've specialised in this work ever since I saw the power of a future-fit culture whilst working for one of the world's leading *open innovation* labs.⁵²

We helped clients around the world succeed by effective exploitation of science, engineering, and technology-based innovation in their organisations. This involved helping people in client organisations develop the mindsets, attitudes, and behaviours that build their innovation, agility, and adaptiveness muscles.

Our culture prompted one senior executive client to ask me: “*could you come and help get our people to behave more like your people?*” – the question that launched the unique career path I've been on ever since.⁵³

Creation of future-fit cultures depends primarily on two *key* types of people in an organisation: *key influencers* and *culture catalysts*. *Key influencers* are the people in an organisation whose mindsets systemically affect everyone and everything else. These are always unique to the specific context and it's vital to realise that not all key influencers are in senior roles and not all people in senior roles are key influencers. *Culture change catalysts* not only recognise that future thriving requires cultures of innovation, agility, and adaptiveness, they're deeply committed to actively catalysing such a culture.⁵⁴

For most of my career I was hired by C-Suite executives to advise, coach, and guide them in supporting internal change catalysts – together cultivating systemic shifts to 2D3D mindsets that create cultures of innovation, agility, and adaptiveness.

I'm now focused on bringing on the next generation of change catalysts – equipping them with the cognition, competence, and confidence to create future-fit cultures..

To find out more, visit [my website](#). The best way to contact me is to connect on LinkedIn via my profile [here](#). The Archive of my “*Create a Future-Fit Culture*” Substack is accessible [here](#), and you can sign up via the *Subscribe* link in any of the articles.

⁵² [Cambridge Consultants](#).

⁵³ You can find out more about my career and follow/connect with me [on LinkedIn](#).

⁵⁴ For example, OD/HR professionals, coaches of various stripes including 'agile coaches', Scrum Masters, Business Relationship Managers. But it really can be almost anyone with energy and enthusiasm about bringing innovation and agility to life.